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ABSTRACT

The report addresses the problems being faced by the state of Alabama's postsecondary educational system during the current recessionary period, and to be expected in the years ahead, and makes recommendations on how these financial burdens can be dealt with while simultaneously increasing educational quality. The report explains that Alabama's postsecondary educational system has grown too large to be adequately supported during economic downturns. The following recommendations are made: (1) Alabama's Commission on Higher Education must focus its public information program on key issues facing Alabama's higher education; (2) the Commission should connect planning and budgeting and involve leaders in education and government in the planning process; (3) the Commission should continue to develop multiple measures as the basis for institutional accountability; (4) the budgeting process should be linked more directly to support state priorities; (5) the Commission should have more authority over the review and possible termination of existing programs not meeting state needs; and (6) the state should provide more student grant aid. Study methods, findings, and the context for evaluation are presented, as well as appendices that include a list of the persons interviewed for the study and a transcript of the legislation specifying the functions of the Alabama Commission on Higher Education. (GLR)

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REPORT OF THE FIFTH QUADRENNIAL EVALUATION COMMITTEE ON THE EFFECTIVENESS OF THE ALABAMA COMMISSION ON HIGHER EDUCATION

MARCH 1991

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REPORT OF THE FIFTH QUADRENNIAL EVALUATION COMMITTEE

A Committee to Evaluate the Effectiveness
of the
Alabama Commission on Higher Education

MARCH 1991

ALABAMA COMMISSION ON HIGHER EDUCATION
FIFTH QUADRENNIAL EVALUATION COMMITTEE

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March 1991

The Honorable Guy Hunt
Governor of Alabama
Montgomery, AL 36104

Dear Governor Hunt:

The members of the committee to evaluate the Alabama Commission on Higher Education, created pursuant to Section 12 Act 79-461, are pleased to submit to you this report.

As further required by law, we are mailing copies of this report directly to members of the Legislature and the presidents and governing boards of the institutions of higher education in Alabama, and it is being made available to the general public.

Dr. John Folger, Chairman
Professor of Education & Public Policy
Vanderbilt University

Dr. Harold Enarson
Member, Colorado Commission on Higher Education

Dr. Diane Gilleland
Executive Director of the Arkansas Board of Higher Education

DR. JOHN FOLGER, CHAIR

DR. DIANE GILLELAND
DR. HAROLD ENARSON

TABLE OF CONTENTS

Letter of Transmittal

Summary 1

Section I. Method of Conducting the Study 5

Section II. The Context for Evaluation 8

Section III. Findings and Recommendations 17

Appendices:

A. List of Individuals Interviewed 30

B. Copy of Letter Sent to Legislators, College Presidents, and Business Leaders in Alabama 33

C. Act 79-461 Specifying the Functions of the Alabama Commission on Higher Education 34

Summary

One way to summarize the recommendations of this evaluation is by contrasting two ways that higher education in Alabama could deal with the current revenue shortfall. One would be the traditional way, and the other would illustrate how Alabama might deal with the revenue shortage if they implemented some of the recommendations for the Commission on Higher Education. While this is a different way to summarize an evaluation, an illustration often makes a point better than straight exposition.

Higher education in Alabama, as in most other states, is facing the prospect of reduced revenue next year because of the recession. After budget increases during most of the 1980's, the institutions must deal with a smaller budget, despite ongoing inflation, and enrollment increases at many of the colleges and universities.

If higher education operates in the usual way to handle the downturn in appropriations, we will see some or all of the following:

1. Colleges will assume that the downturn in the tax revenue picture is temporary and that no fundamental change in their operating procedures is required.

2. Colleges will make cuts first where they have minimum effect on people; some plant maintenance expenditures will be cut, library book purchases will be deferred, vacant positions will be left unfilled.

3. Cuts will be spread equally among participants, first by the state making "across the board" reductions to colleges and universities and then within institutions "spread the suffering" principles will dominate in the allocation of funds.

4. Unless the recession is prolonged, institutions will not have to cut programs or faculty and so they will not have to face the problems of prioritizing their efforts or examining their assumptions about the way they conduct their educational programs.

To summarize, revenue shortfalls will be seen as a problem to be endured, rather than an opportunity to reassess what they are doing and come up with better and more efficient means of operation.

Our evaluation suggests that there are several problems in Alabama higher education which need attention regardless of economic conditions, and that the Alabama Commission on Higher Education is the state's key agency in examining these problems and coming up with possible solutions.

One problem is that Alabama has more public universities (16) and two-year colleges (39) in relation to the population to be served than any other SREB state. Florida, for example, with three times the population of Alabama, has only two-thirds as many public institutions. More institutions mean more small, less efficient programs, a larger administrative overhead, and, in some cases, weaker educational programs. Alabama probably will not close any of its institutions, but it is now merging the administration of some of its two-year colleges, and there are other possibilities for downsizing institutions and increasing quality at the same time.

Alabama has little program specialization at the undergraduate level. All four-year institutions offer a broad range of undergraduate program offerings including teacher education (all), business (all), engineering (six universities), etc. Most universities are "open door," admitting almost all applicants including a substantial percentage (one-fourth, one-third?) of underprepared students. Although we were unable to obtain exact figures, universities graduate less than half their entering full-time freshmen six years later, which represents a substantial loss of talent; dropping out also is a cost to students and taxpayers.

Alabama would gain more than most states if its institutions would develop more specialized roles and missions, strengthen their best programs, and cut back or eliminate their weak ones. Universities could also raise admissions standards, leaving the "open door" function largely to the two-year colleges. The result would be smaller, stronger, and more efficient institutions.

The alternative to enduring the economic downturn, in hopes that it soon will be over, is to face the reality that Alabama has expanded its higher education institutions beyond the state's capacity to support them at a quality level. The 1980's were a period of economic growth, and funding for Alabama higher education grew faster than inflation during the decade. But Alabama higher education did not gain in expenditures per student relative to its neighboring states during the decade.

The next decade seems even more problematic economically, so Alabama will have to do some different things in higher education if it wants to have a better higher education system that will provide the kind of education needed in the 21st Century. The first thing Alabama will have to do is to recognize that they will not have enough money to support all of their programs at a quality level, and, therefore, that they will have to make some painful decisions if they want to be competitive in the future.

The Alabama Commission on Higher Education can provide the impetus to get the colleges and universities to re-examine their future and develop plans to strengthen their best programs, reduce or eliminate their weak ones, and raise their standards and graduation rates. The Commission

can not do this by itself; any plan must have the support of the institutions, the Governor, and Legislature for both the concept and the steps necessary to implement it. The recommendations we have made would strengthen the Commission's ability to provide leadership in this kind of major change.

The first task of the Commission would be to educate the public, political, business and civic leadership, and educational leaders about the importance of doing things differently. We recommend that the Commission focus its public information program on key issues facing Alabama higher education. The example of the need for a new approach to reducing duplication and increasing quality illustrates the kind of key issue where the Commission should take the lead. Unless the Governor, legislators, and college presidents agree that this is an issue that must be dealt with, action will not be forthcoming.

The Commission must get each institution to develop a multi-year plan for reducing some programs and strengthening others. This type of planning is likely to work if there are incentives for the institution to develop and follow the plans. One incentive would provide special funding for strengthening the best programs at each institution. Another would be to allow institutions to retain any funds saved by reducing programs and personnel. Institutions should be allowed to reallocate and carry forward, from one year to the next, funds saved when programs are reduced. We have recommended that the Commission connect planning and budgeting so the planning has more influence. We also recommend the Commission involve leaders in education and government in the planning process. The budget is the short- range plan of the state. It needs to be consistent with the long-range (five or more years) plans. It will take time to improve the quality of programs and to reduce or phase out lower priority programs, so the state and each institution needs to guide their actions with a long-range plan.

If the best programs are to be strengthened, there has to be an assessment process that will enable each institution to decide which programs are to be emphasized. If standards are to be raised, institutions must assess the achievement of their students and must be accountable to the State for those higher standards. We recommend that the Commission continue to develop multiple measures of the processes and the outputs of higher education as the basis for institutional accountability.

Success in refocusing institution program priorities and developing a smaller but more efficient set of programs in each institution will require substantial changes in the budget process. While the process of budget recommendations should continue to emphasize equity, it must also provide funds in support of state priorities. To achieve a smaller but better higher education system, the budget should de-emphasize enrollment growth, maintain institutional flexibility in the use of funds, provide incentive funds to improve the best programs, and provide the accountability for achieving planned changes. We recommend that the budget process should be linked more directly to support of state priorities.

We recommend that the Commission have more authority over the review and possible termination of existing programs. Programs that are found not to meet state needs which the institutions want to keep should be terminated by the Commission. Termination of programs should be the result of a careful process where the institution has a major voice, but if the state is to make progress toward a smaller, more specialized, and better higher education system, the state needs to have final say so about the programs it will support. The Commission is the proper agency to exercise that authority for the State.

Finally, we recommend that the state provide more student grant aid and that grant aid be increased as tuition is increased, so that students will not be denied higher education opportunity because of cost.

Our recommendations about the Commission are based on the assumptions that Alabama wants a more effective and efficient system of higher education and that they are not likely to make progress in that direction without a stronger coordination agency. Alabama is a low income state that needs to make every dollar count. Better planning, more purposeful budgeting, and better assessment and accountability are needed to guide institutional efforts. The Commission cannot bring about these changes by itself. Achievement of a better system will require support and cooperation of all the leadership in the state, the institutions and their faculties, the Commission, the Governor and Legislature.

SECTION I

Conduct of the Fifth Quadrennial Evaluation of the Alabama Commission on Higher Education

The fifth quadrennial review of the Alabama Commission on Higher Education (ACHE) was conducted by Harold Enarson, President Emeritus of Ohio State University, and a member of the Colorado Commission on Higher Education, Colorado's statewide coordinating board; Diane Gilleland, Executive Director of the Arkansas Board of Higher Education; and by John Folger, Professor of Public Policy at Vanderbilt University and the former Executive Director of the Tennessee Higher Education Commission who served as Chair of the consultant group.

Our charge was general, to evaluate the effectiveness of the work of the Commission and to recommend changes and improvements as needed. This charge is consistent with the statutory requirement of a quadrennial evaluation in 79-461 Section 12 of the Alabama Code. In an initial conversation with Dr. Sutton, the former director of the Commission, he asked us to emphasize future possibilities and options for the Commission's work, rather than simply assessing what the Commission did the past four years.

In conducting our evaluation the team made three visits to the state of from one to three days' duration to interview people, and collect and analyze information. The chair made three additional one-day trips.

The evaluation team reviewed extensive written information about the functioning of ACHE, and interviewed eleven of the senior staff of the Commission about their work. We solicited written suggestions from over 200 knowledgeable individuals and received over 50 responses to three questions we posed:

1. What are the strengths of the Commission, what has it done well?

2. What are the strengths and weaknesses of the Commission's work in budgeting, policy making, planning, program review, or student financial aid?

3. How could the Commission be more effective in serving the people of Alabama in the future?

We also asked these same questions in meetings with Governor Hunt, two members of his staff, six legislators, twenty-five public institutional administrators, and eleven other knowledgeable persons from the business sector, the press, the private sector, the Tax Reform Commission, the Education Study Commission, and former Governor Brewer. We also interviewed the past and current chairmen of the Commission, and discussed the scope of the evaluation with the Commission as a group.

Interviews were between thirty minutes and an hour in length, and focused on strengths and weaknesses of the Commission and on recommendations for improvement. Most of the interviews were conducted by all three members of the team. Interviewees, who were all assured of anonymity, were both candid and generous with their advice and suggestions about the work of the Commission, and about ways that coordination of higher education in Alabama could be improved.

The evaluation team attempted to understand the context of higher education within which ACHE serves as the coordinating agency. We sought answers to the question: What should ACHE do that would help Alabama to have a more effective system of higher education, given the history, political structure, and resources that are available? In evaluating ACHE's performance we asked two questions:

1. **Is ACHE doing things right; how well is ACHE performing its legal functions?**

In our evaluation we sought the opinions of the persons we interviewed, and some of their opinions are reported in the section on findings and recommendations. We also relied upon our own knowledge about the ways these functions are performed in other states. Comparing Alabama's performance with "best practices" performance must be done in the context of Alabama's economic and political circumstances, but it is still a useful way to identify possible improvements.

2. **Is ACHE doing the right things; is statewide coordination effective in providing Alabama citizens with the kind of higher education system they need?**

This is a difficult question to answer because responsibility for the effectiveness of higher education is shared among campus leaders, the Commission, the Governor and the Legislature. When there is joint responsibility, the Commission, acting alone, cannot bring about a more effective system. ACHE's role is shaped by its legal mandate and by the educational, political and fiscal conditions in Alabama. Within those boundaries, some choices that ACHE can make will be more effective than others in coordinating Alabama higher education. Accordingly, we have focussed our report on things that we believe will make ACHE more effective.

We have also made suggestions about things that ACHE needs to do with the institutions, Governor and Legislature to improve education. Most of the important changes can't be made by the Commission acting alone; they also involve the other participants. While this is an evaluation of ACHE, we have also looked at the other major participants' roles in coordination.

It is our sincere hope that this report will spur Alabama's educational and political leadership to consider very seriously what they and the Commission should do to develop a stronger, more effective system of higher education. The recommendations reflect our best judgment of what is required to provide a system that will better serve the people of Alabama. As the readers will see, we have not tailored our recommendations to make them politically acceptable or popular.

Our thanks to all of the people who generously supplied us with information and to Dr. Elizabeth French of the Commission staff who handled all of the administrative and logistical arrangements for our work. We accept full responsibility for any errors of fact of interpretation.

SECTION 2

The Context for Evaluation

Criteria for Effective Boards

The Alabama Commission on Higher Education (ACHE) is a coordinating board with limited regulatory powers and broad and important responsibilities. About half the states, including nine of the fifteen SREB states, have coordinating boards with similar responsibilities and somewhat varying powers. Most of the other states have single governing boards with greater power over academic matters, but with similar powers in budgeting, planning, and public information.

To be effective, coordinating and governing boards must use influence, more than formal power, in the governance of higher education. Formal powers are less important than leadership and effective relationships among the institutional leaders, the coordinating board, the Governor and Legislature.

There are several things that contribute to a coordinating board's influence and effectiveness. Prominent among these are: (1) the leadership and influence of the members of the coordinating board and their key executive staff, (2) the skills of the coordinating board in mediating between the institutions and the Legislature and Governor, and getting them to work together toward common ends, and (3) the ability of the coordinating board to mesh its planning, program, and budget functions so that planning is supported by budgeting and program evaluation and approval.

Coordinating boards only recommend budgets to the Governor and Legislature, but their budget recommendations have to be influential in the final allocation. Those allocations are central to getting institutions to work together on the plans, priorities and programs that are important to the state. Being influential is necessary, but not sufficient to a Commission's effectiveness. Effective coordinating commissions have both a sense of purpose and direction and enough influence to move higher education toward common purposes.

ACHE has increased its influence substantially in the last four or five years, although its powers are unchanged. It still has less influence than it needs to be fully effective, but it is moving in the right direction.

Goals for Alabama Higher Education

Alabama's goals for higher education are similar to those in other states in the region and nation. Higher education should prepare students to be effective workers, leaders, and citizens in the global economy of the 21st Century. It should contribute, through teaching, research and service, to the economic and cultural growth of the state. Public higher education should carry out its mission in an efficient and effective manner, and it should assure that an equal educational opportunity is available to all citizens without regard to their race, sex, ethnic background, or economic status. The extent to which these broad goals of higher education are being achieved provide the ultimate criteria for judging the work of the Commission and the colleges and universities in Alabama. How well is higher education in Alabama preparing students for the complex economy and society of the future, and how much do the universities' research and service contribute to solving the complex problems that face the state and nation?

The primary responsibility for meeting these goals is at the campuses--their faculty, students, and leadership. However, the Commission also plays an important but specialized role in achieving these goals. It works in six broad areas: (1) planning and policy recommendations, (2) finance and budget recommendations, (3) institutional role and mission recommendations and program approval for new programs, (4) program review and assessment and evaluation, (5) student financial aid and other provisions to assure educational opportunity, (6) public information and advice to the Governor and Legislature.

Most of its coordination activities involve cooperation with the institutions of postsecondary education, the Governor's office, and the Legislature. The Commission cannot perform any of its important tasks by operating alone. This makes ACHE's role both difficult and challenging. It also makes the evaluation of the Commission more complicated. The Commission's functioning cannot be judged just on its own actions, but also by its ability to obtain joint action by institutions, the Governor and Legislature.

Planning

A first task of the Commission is to see that Alabama higher education is shaped by a statewide plan and that the missions and goals of the institutions are clear and consistent with state needs and goals. "Plans will include the establishment of statewide objectives and priorities..." (Act 79-461 Section 6). Alabama needs a clear sense of direction about where its higher education system should be going. Without clear goals shared by educational leaders, business and community leaders, the Governor, and Legislature, progress will be limited.

Alabama still has a long way to go to get a differentiated system of institutions that can serve the needs of the state in a more effective and efficient way. Many of the people that we interviewed said that there was

too much duplication of effort among the institutions. Evidence suggests that many of the four-year institutions want broad comprehensive roles with more graduate programs. Previous evaluations noted the same issues; a recommendation of the last evaluation was "clearly established differential missions for the varied institutions..." It was clear from our interviews that close associations with particular institutions made it very difficult for some legislators to give priority to the state interest in a more efficient and effective system.

Assessment

A second key function the Commission should perform is to assess, in as objective manner as possible, how well higher education is meeting the needs of the state, and whether the state is making progress in achieving the goals. "To cause to be made such surveys and evaluations of higher education... [to provide] appropriate information..." (Act 79-461, Section 10a). If Alabama doesn't know how well its system of higher education is performing, there will be little basis for setting priorities. Previous evaluations also noted the need for this kind of information.

There is substantial national concern about the quality of higher education, but we heard very little about the need for improvement of the quality of Alabama higher education. Most of the concern for quality revealed in recent opinion polls of business leaders and the public was directed toward Alabama elementary and secondary education, not at higher education. The comparative information that ACHE has about quality is mostly about "inputs"--how much money is spent, what students' test scores are at entrance to higher education, not on how well graduates are doing, or what proportion of entrants complete a college education.

Information about results or "outcomes" of Alabama higher education is very limited, but that is the information that governors and legislatures in other states are asking for. (See Time for Results, the report of the National Governors Conference). The Commission is the primary source of objective information now; ACHE will need to do more in assessing quality in the future.

Budgeting

A third key role of the Commission is to recommend to the Governor and Legislature an allocation of funds for higher education. The Commission has an advisory role to play, but it is a crucial role because they can supply an objective analysis of institutional requests to the Legislature and Governor as specified in legislation (Act 79-461 Section 9). The Commission's budget recommendations have been based primarily on the criteria of fairness and equity of allocations among institutions and an estimate of need for support. In the last few years equity has become what the Council of Presidents could agree to when they were putting together the unified budget agreement. The role of the Council of Presidents moved

beyond the usual advisory role to become de facto architects of the Commission's budget recommendations in the last three or four years. The Commission has moved this year to re-establish an advisory role for the Council of Presidents.

The Commission has made progress in the last three or four years in getting the Governor and Legislature to give primary weight to their budget recommendations and to reduce the number of political "pork barrel" allocations.

Budget allocations are also a way of putting money into state priorities for higher education, such as greater emphasis on the quality of undergraduate education. The last Commission evaluation recommended more Commission attention to providing budget incentives that are linked to state goals, and to changing existing incentives that interfere with achieving state goals.

> *"Develop a new and more diverse budgeting formula,...also including a variety of performance-based measures and an analysis of the developing economic and social needs of the state to (3) provide for special budget allocations as needed to meet each of these factors"* Fourth Quadrennial Report, *p. 21.*

Program Review

A fourth important role for the Commission is to see that programs needed by the state are developed by the institutions, and that programs that unnecessarily duplicate existing programs are not developed. The Commission now has authority to approve new programs and off-campus programs, and it can recommend the termination of existing programs. Elimination of unnecessary programs is an area where the Commission needs to be more effective. Interviewees outside of higher education (as well as some persons in higher education) thought the Commission should have power to terminate existing programs that aren't needed. All governing boards and several coordinating boards have the authority to terminate programs, a function that becomes more important in a period of scarce resources like the present. Even with added authority to terminate programs, the Commission must have the cooperation and support of the Governor and Legislature to be effective in program development and control. With strong backing from the Legislature, the Commission, with its current authority, could make progress in getting unneeded programs eliminated.

Student Financial Aid

Fifth, the Commission has an important role in assuring educational opportunity for all citizens, but especially for low income and minority students. It operates student grant and guaranteed loan programs for the state, and is responsible for seeing that programs are designed and operated to increase participation in higher education by low income students who

otherwise would be unable to afford college. We heard very little comment about educational opportunity. Geographic access is clearly not a problem, because there is a college within commuting distance of nearly everyone. The Commission has provided information about the low level of state funding of grant programs and about he unmet needs for financial aid. The participation rates of low income and minority students are important policy issues that need increased attention.

Public Information

Finally, the Commission has an important responsibility to provide information for, and lead the policy debate about, higher education issues that are important to the state. The Commission is charged (Act 79-461 Section 10 l) with "conducting a program of public information..." The institutional leaders we interviewed wanted the Commission to be a stronger advocate for higher education, especially its financial needs. The institutional representatives are generally very good spokespersons for their needs, with well developed lobbying and public information programs.

The Commission's information role should be broader than just supporting the institutions' needs. It should focus on state issues and problems, and lead the debate about alternative ways of dealing with the problems. This is a role that only the Commission can perform, and if it does its information job well, the state and the institutions will be well served.

The way the Commission performs these functions is the subject of our evaluation. It is also the basis for our recommendations for improvement in the Commission's work, and through them, for the improvement of Alabama's higher education system.

The Commission's performance should be evaluated as a part of the history, structure, economic and political conditions in Alabama. These factors set boundaries on what is possible, but they also provide opportunities for the Commission to play its role. We share the conviction of our respondents that the Commission role is indispensible and that it needs to play a more important role in the future.

The Economic Condition of Alabama Higher Education

We compared higher education finance in Alabama with seven other southern states that are roughly comparable (Arkansas, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee). Alabama has per capita income and tax capacity that is about three-fourths the national average (1988 figures). Georgia, North Carolina, and Tennessee have higher tax capacity and per capita income than Alabama, but Alabama is roughly comparable with the other comparison southern states in its fiscal capacity.

Alabama also makes a low tax effort, only 86 percent of the U.S. average, and lower than any of the comparison states except Tennessee. Low effort times low capacity means low tax revenue. Alabama's revenue per capita

is only 64 percent of the national average.

The good news for higher education is that Alabama allocates a higher percentage of its tax revenues to higher education than any other state in the nation, 13 percent, compared with a national average of 8 percent.

The bottom line is that appropriations per student in Alabama ($3,580) are 85 percent of the national average, slightly higher than Arkansas, Kentucky and Mississippi, but below Georgia, North Carolina and Tennessee. The latter three states are all at or above the national average.[1]

Over the decade from 1978 to 1988, Alabama higher education appropriations per student increased from $1,528 to $3,580, a 134 percent increase. Most of that increase was required to keep up with inflation, which increased 94 percent. Despite this effort, Alabama made very little relative improvement compared to its neighboring states, who were all increasing their support at similar rates. Alabama has been running hard, but has stayed near the bottom.

The prospects for improved support for Alabama higher education in the next four or five years do not appear to be good, according to the people we interviewed. Enrollment has started to grow again after a decade of stability, inflation is higher, while revenues are falling because Alabama and the nation are in a recession. More need and fewer resources is a situation Alabama faces with most other states. Most respondents predicted there would be no tax increase in Alabama to change this picture.

Alabama already charges high public tuition, relative to the low average family income in the state. After state student aid is subtracted, net tuition is 14 percent of per capita income in Alabama, compared to 10 percent nationally. State student grant aid is only one-third the national average per student. The state needs to provide more student aid to keep the door of opportunity open for its low income citizens. Future tuition increases also need to be offset for low income students with increased student aid.

Like many of its sister states, the challenge for Alabama's higher education system seems likely to be how to do better with the same or less money. That is an unpopular message for institutions that believe that they are already doing as much as they can with below average funding. The Commission has a real challenge to try to bring budget reform and policies that will encourage quality improvement during a period of fiscal stress.

Important Characteristics of Alabama Higher Education

Alabama has a large number of both two- and four-year institutions relative to its population. Alabama has 16 bachelors degree granting public universities plus two branch campuses, and 39 two-year public institutions. Florida, with three times the population of Alabama has only nine universities and 28 community colleges. Tennessee, with 20 percent more population has nine public universities, one health sciences institution, and

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[1] Figures are from State Profiles 1989 edition, Research Associates of Washington.

16 community colleges and technical institutes. Arizona, with about 20 percent fewer people has only three public universities and 16 community colleges. Kentucky, which has almost as many people as Alabama, has only seven universities and 13 public two-year colleges. Alabama has one of the most over expanded higher education systems in the nation.

In addition to the larger number of institutions, Alabama has multiple expensive professional programs; two medical schools, six engineering schools, one public and one private veterinary school (the private veterinary school gets some state support). While some of the neighboring states also have multiple medical and engineering schools, there is generally less proliferation of programs in relation to population. One index of this is the percent of state appropriations that go for medicine, agricultural programs, and research, and are thus not available for the support of other graduate and undergraduate education. Alabama allocates 30 percent of its total state appropriations for research, agriculture, and medicine--almost twice the national average of 17 percent. Other small southern states also have high percentages--Arkansas, 29 percent; Kentucky, 31 percent; Mississippi, 30 percent; and South Carolina, 27 percent. The larger states--Georgia, North Carolina, and Tennessee--have more money available for other educational programs because their percents are lower; 20, 21, and 19 respectively.

Alabamians are aware of the duplication of programs, and most of them thought it was a serious problem, which had existed for a number of years. They did not believe, however, that the Commission was responsible for allowing the duplication to develop, or for not eliminating it after it had occurred. They generally believed that program and institutional expansion had occurred because over-ambitious institutional leaders had persuaded their legislators to put local interests ahead of state needs. As long as decisions are made primarily on the basis of local ambition and political bargaining rather than state needs, the existing situation will continue, and may even become worse.

Alabama pays a high price for the over-expansion and duplication, though this cannot be precisely measured. It means more small, less efficient institutions and programs, and it generally means a higher share of funds devoted to administration and other overhead costs rather than instruction, research, or service. The biggest consequence of dispersal of resources across so many institutions and programs is that few can achieve a level of quality that will make them competitive nationally. This can be measured roughly in the area of research, where Alabama has only one university among the top 100 in federal research grant funding, while several neighboring states have two or three. Alabama's failure to get a larger share of these funds, which are awarded on a competitive basis, is a crude estimate of the kind of price Alabama pays for spreading its limited resources too thinly.

Another characteristic of Alabama's public higher education institutions is that only a few are selective in admissions. Every state needs some open door, relatively unselective institutions, and this is a role that two-year

institutions provide in most states. In Alabama, the two-year institutions are open door, and most of the four-year institutions are also nonselective. As a result nearly all of the institutions admit a substantial proportion of underprepared students. Unless these students get intensive (costly) help in overcoming their deficiencies, a high proportion will flunk out, which is a waste of their time and money and the state's money. There aren't good statistics in Alabama on the magnitude of the problem of underprepared students, nor are there plans and policies which seem likely to improve the situation in the near future.

Another characteristic of higher education in Alabama is that there is a great deal of institutional autonomy and very little institutional accountability for achieving state objectives. Each institution pursues its own vision of what it ought to do and be, without much attention to what other institutions do or seek to be. A great deal of autonomy is desirable in higher education, because it's been demonstrated that you cannot manage highly specialized professionals effectively from the state level. Responsibility for most operating decisions should be decentralized to the professionals who deliver the service. But autonomy should be coupled to accountability for reducing dropouts, educating more minorities, producing graduates with good job skills, and other important state outcomes.

Institutional interest and the state interest often coincide, but there are important areas where they may differ, such as in program expansion at the graduate level, maintaining standards of quality versus enrollment growth, or establishing common standards to make it easy for students to transfer without loss of credit.

Most states have gone further than Alabama in aligning institutional activities with state purposes. One of the state purposes that hasn't had much emphasis is quality improvement. Because there are so many open door separately governed autonomous institutions with overlapping and undifferentiated missions, competition for students and enrollment has been high, and institutions have been free to pursue their own standards. Even though there are a few indicators that quality needs improving (low retention and graduation percentages, for example), Alabama has had very little focus on quality.

Political Environment

There does not appear to be a political consensus about goals and a direction for higher education. A public opinion poll in 1987 indicated general citizen satisfaction with the job higher education was doing (only 13 percent were dissatisfied). Business leaders polled in 1990 also were generally satisfied with higher education, 60 percent rating it excellent or good, and only 6 percent rating it mediocre or bad. With these attitudes on the part of their constituents, it is not surprising that there is little legislative concern about making higher education more effective. What interest there is in education reform is focussed mostly on the public schools, which get lower marks from the public. With the encouragement

of the Southern Regional Education Board (SREB), many of Alabama's neighboring states have been active establishing goals and improving their education system. Interest in educational reform, especially in higher education, appears relatively weak in Alabama. There was little evidence of a felt need for change or improvement.

Political support for higher education seems very parochial. Legislators seem mostly concerned about their local institution or institutions. This localized view is reinforced by the surprisingly large number of legislators who are employees or board members of the two- and four-year institutions. Many people told us it was difficult to get any statewide policy considered by the Legislature except in terms of how it would help or hurt their local college.

Local interests are legitimate and will always be a part of the legislative process, but Alabama needs a long-range statewide perspective that will enable it to progress and be as competitive in quality education as it is in athletics. As one respondent put it, if we cared as much about education as we do about "Roll Tide" and "War Eagle", Alabama could have a better educational system and would be in a better position to compete economically.

Summary

The Alabama Commission on Higher Education has a difficult environment in which to fulfill its legislative mandate to coordinate higher education. The economy provides below average appropriations per student and the prospects for major changes in support are poor. The resources must be allocated among a large number of competing institutions which have overlapping, poorly defined missions. There is competition for students, low admission standards, and a substantial proportion of underprepared students are admitted. The court case about the role of the historically black institutions delays resolution of roles and missions, especially in Montgomery and Huntsville.

Legislative support for higher education is highly localized, and partisan support for institutions impedes the support needed to achieve statewide coordination to improve quality and efficiency. The problems that face higher education aren't new, and progress in solving them requires a statewide sense of priorities and a sense of direction if Alabama is going to move ahead.

On the plus side of the ledger is the recognition of most of the leaders we talked with of the importance of the job the Commission is trying to do, and of the contribution that it can make in the future. In the next section we provide findings and recommendations for change.

SECTION 3

Findings & Recommendations

Governance

Alabama established ACHE as an advisory coordinating board in 1969, with little power or influence in its early years. In 1979, partly as a result of recommendations from the second quadrennial evaluation, the Commission was given more regulatory powers, including the responsibility for approving all new degree programs, and for authorizing and regulating off-campus offerings, new and existing.

There are a number of people who believe that a single governing board on either the Georgia model (all two- and four-year institutions under one board) or the North Carolina, Florida, or Mississippi models (all the four-year institutions under one board) will be necessary to coordinate the diverse and competitive institutions. Some interest in this idea continues, although most respondents believe that there is not enough political support for the idea, so they want to see the Commission strengthened and made more effective.

Several respondents recommended that the Commission be given the power to terminate existing programs. With greater control, the Commission could help with problems of program duplication. The Commission could also have a more specific mandate to develop an assessment system that would monitor effectiveness of higher education, and include information about institutional performance in its periodic reports to the Governor and Legislature. While the Commission can develop an assessment system (and is taking steps in that direction) under its existing legislation, a more explicit requirement from the Legislature would give assessment a higher priority among the Commission activities. Increased authority for ACHE was considered by both the third and fourth quadrennial reviews, and they both concluded that ACHE should not pursue greater authority, but instead concentrate on doing the best job possible with existing powers. As the fourth quadrennial report put it:

> *[coordinating boards]"...depend ...essentially on the confidence of the Governor and Legislature for whatever operational authority and responsibility they have in actual practice. The ability of a commission or board to study and analyze objectively and then communicate its findings widely is one of its most important powers." (Fourth Quadrennial Report, p. 20)*

We agree that the Commission has important ways of influencing public and legislative opinion through objective study and bringing important issues for action to the Governor, Legislature, and the colleges and universities. In the final analysis the Commission's influence with the key leadership groups in the state is more important than its formal powers in getting things done. But Alabama faces difficult times in trying to improve its overdeveloped and underfunded system of higher education, and an increased Commission role in control of existing programs could be helpful in shaping the state's agenda.

Recommendation One: The Legislature should authorize the Commission to terminate existing programs that do not meet criteria of program viability, state need, and centrality to individual institutional role and mission. Institutions should continue to have the right to appeal Commission decisions to the Legislature.

The Planning Process

One of the major functions assigned by law to the Commission has always been planning. "The Commission shall be responsible for statewide long-range planning for postsecondary education in Alabama... Plans will include the establishment of statewide objectives and priorities with methods and guidelines for achieving them" (Act 79-461 Sec. 6). The Commission has had difficulty in developing the planning function, and prior evaluations of the Commission have emphasized the need for improved planning. In particular, the last evaluation emphasized the need to develop an effective process that would involve all the key decision makers: the institutions, the Legislature and the Governor's office.

> *...Should proceed with dispatch to develop, finally, a strategic plan for all of higher education in the State of Alabama, keeping in mind the major concerns of many parties regarding unnecessary duplication of programs. Simultaneously, the Legislature, through its major related committees, should be involved in this process... The Executive staff of the Governor... should be a part of the effort to develop... [a] higher education plan for the future development of the state.* (Fourth Quadrennial Evaluation Committee Report, pp. 22-23, Recommendation No. 6)

An effective planning process is not easy to develop, and it takes time. The key decision makers in Alabama have not had to discipline themselves to participate in a common plan. Each institution has pursued its own plans for the future in a highly competitive environment. Planning requires more cooperation among institutions, and it requires shaping institutional ambitions to fit within state priorities. The state, through the Commission, needs to provide incentives to make planning worthwhile for the participants, so that it will be more attractive than continuing to operate on their own agendas.

The Commission adopted five broad goals for higher education in 1984, and they also got institutions to present five-year program plans. This was designed to get a better definition of each institution's current role and scope. In 1989 and early 1990, the Commission staff developed a "Strategic Agenda" for the 1990-95 period. This document, which contained eleven statewide goals for higher education, was based on the earlier goals document, national studies, and the SREB goals recommendations, as well as a response to the last evaluation which encouraged the Commission to " ...Map a new agenda for Alabama." The Commission staff views the strategic agenda as a flexible process which could move the state toward key goals.

The Strategic Agenda outlines directions for Alabama to follow in higher education in the next five years. While it is early to tell how these eleven goals will actually shape the development of higher education, we found considerable skepticism about their possible impact. Goals and plans that had been developed in the past had not had a discernable effect on the course of higher education. Goal statements and plans weren't connected to the budget process, or to program review or approval--a fatal defect in planning.

We have three suggestions about ways that plans and goals will be taken more seriously.

The first is to connect plans to the budget process. The budget is the short-range (one-year) plan for higher education. If resources are allocated in the budget in accordance with the goals and priorities of the long-range plan, the plan and the planning process will get both attention and credibility. No matter how well thought out state goals and priorities are, if they don't influence the allocation of resources or what faculty and students do, they will be only window dressing.

A second suggestion is to connect plans and goals to the political process. Planning needs to involve the Governor and Legislature in the process in a way that gets them committed to support the plan, and to do their part in its implementation. The process of planning is often more important than the plan itself, because the process can educate and build commitment. The Governor and Legislature are harder to involve than the institutions, but they are critical to the eventual success of the planning process.

A third suggestion is to focus on a few important goals that will be energetically pursued as a priority. Political and educational leaders can't focus on all of the important goals at the same time, and resources of both money and leadership have to be concentrated on a few priorities at a time. As a strategic agenda for Commission action, the plan lays out too many tasks as priorities--there isn't institutional or Commission staff capability or enough money to emphasize all of them at once. For example, is it more important to develop a better assessment of student and institutional outcomes, expand applications of technology (computers, video disks), or develop more global, multicultural programs in the undergraduate curriculum? These are all goals for the 1990-95 period, they will all cost money and take staff time, during a period when resources are likely to be

very limited. Which ones are more important than others?

The Commission has made a start toward a planning process that can provide a sense of direction and guidance for state higher education policy in Alabama. Alabama needs to raise its sights in higher education, and aim for a better education for more of its citizens, so it will be as good as, or better than, the education being provided in neighboring states. A good state plan can help Alabama achieve its goals. Without one, it is in danger of educating people for the 1980's economy and society, rather than educating them for the society and economy of the 21st Century.

Recommendation Two: Alabama needs a planning process that will raise people's sights and chart a path to a more effective and efficient educational system. The Commission needs to connect its planning process to the budget and to its program approval process so there are more positive incentives for planning. The planning process needs to involve business and political leadership more, and give them a bigger stake in making plans work.

The Budget Process

The budget has dominated relations between the Commission and the institutions and the Legislature. The Commission has the legal responsibility to submit to the Governor and Legislature a unified budget request containing the funding recommendations for each institution. In developing its recommendations, the Commission is to make its own judgment about the funding needs of each institution, but those judgments should be objective and impartial. The Commission is also expected to make comparisons between funding for Alabama institutions and institutions in other states (Act 79-461 Section 9).

The institutions retain the right to take their financial needs directly to the Governor and Legislature. During the first 15 or 16 years of the Commission's existence, institutions exercised that right frequently, and they were often successful in getting funds added, as special line items to the budget. The success of institutions with their special pleas appeared to be due much more to their political influence in the Legislature, than to the merits of their requests. The localized focus of legislative interest "my institution's needs first, and the state's needs second" contributed to the success of institutional efforts. This process weakened the Commission's efforts to develop an objective and fair process for recommending budget allocations.

Alabama, like most of the southern states, uses a formula approach to assessing need. The Alabama formula for the universities is an adaptation of the formula used in Texas, and is based on different costs per student at different levels in different programs. Comparative costs in other SREB states are also factored in. The formula contains a lot of factors, and separate formulas are used for the universities, the two-year institutions, the health profession programs, and there are a number of non-formula items.

All of this complexity makes the formula hard to understand.

Four years ago, the Commission sought to reduce the institutional end runs around their recommendations and increase the credibility of their requests by getting the institutions to join in a unified budget request, which all institutions would agree to support. In the process the special line items were greatly reduced to a few that could be justified as nonformula appropriations. This change increased the credibility of the Commission's role in the budget process and was seen as a step forward by both the institutions and members of the Legislature. The common denominator that all of the institutions would support was a request that gave every institution a share of any increase, basically a continuation of the status quo. The agreement was negotiated among the presidents and the Commission staff, and provided little opportunity for the Commission to change the funding pattern either to pursue new state priorities, or to reduce inequities in funding.

An outside study of the budget process was made, in part to assess the equity of the funding formula by comparing each Alabama institution with similar institutions in other states. This study shows that some Alabama institutions are much more adequately funded than others by comparison with their peers in other states. The Commission made some changes in the formula that were recommended by the consultants' study. The changes were designed to increase slightly the equity of budget recommendations. A majority of the institutions objected, and as this report goes to press it is not clear whether there will be a unified agreement for 1991. This illustrates the problem Alabama has in developing a fair and effective budget process. If the only thing that the institutions can agree to is maintenance of the status quo in their appropriations, the Commission won't be able to remedy inequities that have developed in the system, nor will it be able to provide budget incentives to encourage new priorities and new directions. The Commission has moved ahead by getting advice from the Council of Presidents but not waiting on their agreement to changes in budget procedures.

Previous evaluations have recommended changes in the budget process so that it could provide funds for new state priorities. The formula budget process that Alabama uses can be characterized as a 60's and 70's approach, which has not been modified to meet the challenges of the 90's. It does not connect the allocation of funds to state plans and priorities. The last evaluation report recommended that the Commission develop

> *"a new and more diverse budgeting formula, ...including (2) a variety of performance based measures and an analysis of the developing economic and social needs of the state to (3) provide for special budget allocations as needed to meet each of these varied factors."*

In its strategic agenda for 1990-95, the Commission has the goal "2. Improve the annual unified budget recommendation mechanism to maximize the development of proper funding for basic programs while directing incentive

based resources toward projects that reflect emerging statewide priorities" (p. 4).

In implementing this goal the Commission will have to persuade the institutions that the new initiatives to which it will attach incentive funds are more important than the ongoing operations of the institutions. If there are not enough new funds to support both the ongoing needs of the institutions (which always cost more each year in an inflationary economy) and the new priorities, the institutions will want to defer the new priorities until more money is available. Since economic conditions are seldom good enough to meet most of the needs of the institutions, there will seldom be an opportunity to make changes in the budget of the sort that the Commission and previous evaluations have recommended unless some funds are reallocated from low priority existing programs to the higher priority new initiatives. The Commission needs to get the support of the business and political leadership in the state for new priorities. Without buiness and political support funding for new budget initiatives will only come when there is a big increase in revenue.

Priority and incentive funding can be done with relatively small percentages of the budget. Allocation of only one or two percent of the base budget is usually adequate to involve institutions in substantial new efforts. There are already a number of successful models of this type of budgeting in other states. If there is the necessary support from Alabama leadership, the Commission can develop a more goal oriented budget process.

Recommendation Three: The Commission should seek support from educational, business, and political leaders, first to identify those key goals and priorities that are important to state progress. Second, that funds be allocated specifically for achievement of the goal or goals. Third, that the Commission provide targeted support for institutional efforts to achieve the goal or goals.

Accountability and the Assessment of Results

In several sections of the Commission's authorizing legislation, the Commission is directed to study and evaluate higher education in order to make recommendations for improvements and/or new legislation and policies.

"The Commission...shall analyze and evaluate on a continuing basis the present and future needs for instruction, research and public service in postsecondary education..." (Act 79-461 Section 5).
"To cause to be made such surveys and evaluations of higher education as are believed necessary..."

The Commission collects on a routine basis more information than most institutions think is needed. As one respondent put it, "They are drowning

in data; what they need to do is figure out the key information that is important for effective coordination, and concentrate on that."

The Commission has a good reputation among governmental persons we talked with as a reliable source of objective data. But the Commission has collected very little systematic information about how well the institutions are performing. They know a lot about how much money is being spent, but not about how much students are learning, or what percent of students are succeeding. For example, we were unable to find comparable data from all the institutions about retention and graduation rates. There wasn't systematic information about the performance of graduates on licensing exams and other measures of their skills and knowledge. This kind of information is not easy to collect on a comparable basis, but it is essential for any effort to improve the quality of higher education. If we don't know how well we are doing, there will be less motivation and guidance for an improvement effort.

The Commission has begun a study of program viability, designed to identify those programs that aren't producing graduates. This can be a useful step in publicizing those programs that are small and unattractive to students. Some of these programs will have high unit costs. They may also be relatively weak programs academically, but the current study is primarily quantitative, not qualitative. An even more important question that the Commission should examine is whether there are programs that are producing graduates who aren't adequately prepared for their jobs and/or careers, or who can't pass the licensing exam that is a prerequisite to practice. While on-the-job performance is difficult to judge, there are several useful ways to assess it. Graduates can give useful information about weaknesses in their training. Employers can also provide valuable information about the strengths and weaknesses of graduates who are employees.

Alabama's institutions have a great deal of autonomy in the use of educational funds. They have to meet the usual fiscal accountability standards, but they have almost no performance accountability to produce graduates with adequate knowledge and skills. We believe that the state should continue to give the institutions responsibility and autonomy in designing and conducting their educational programs, including budget flexibility. There is good evidence that attempts to micro manage education from the state level don't work. But the state should hold the institutions accountable for doing a good job of educating students, and to do this, they have to have an assessment program that gives them information. The Commission has as one of its goals

> *"Continue to implement the statewide policy on institutional effectiveness and assessment of student learning outcomes, and the statewide policy on program review" (Goal No. 9, p. 10). "Assessment of institutional quality is an institutional prerogative and is essential to improvement of quality; however the state has a legitimate interest in accountability" (Goals, p. 10).*

An institutionally managed assessment process usually produces data that can't be compared between institutions. An accountability system requires comparable data on enough items to determine if accountability standards are being met. To provide an accountability system, the Commission is going to have to define what is needed, and work with the institutions to implement a system which provides the several different kinds of information needed to assess the effectiveness of institutional programs. (There is no single index number which can measure institutional or program quality, multiple indicators are required.) This will take time and cost money, but it is necessary if Alabama is serious about using assessment to improve its higher education system. This information can be used both for accountability and state policymaking, and to guide institutional improvement.

Recommendation Four: Alabama should invest the resources necessary to develop comparable multiple indicators of educational achievement by each institution.

Program Review and Approval

The Commission has the authority to approve all new program proposals, and to "authorize and regulate off-campus offerings, new or existing..." Existing branches and off-campus programs were allowed to continue, and there are other limitations on the Commission's authority and responsibility, including the proviso that any institution may take its program proposals to the Legislature for approval.

The Commission also has the responsibility "to cause studies to be made for the purpose of classifying and prescribing the role and scope for each public institution of higher education... and to recommend such changes in classification or role and scope as it deems necessary and which may be agreed to by the governing board... [of the institution]."

The Commission has taken a number of steps to carry out these important responsibilities. It has a formalized process for reviewing new program proposals. Each new proposal must be justified in terms of state need, institutional ability to offer the program, evidence of adequate student demand, etc. The institutions complain that the process is too cumbersome and slow; some of them assert that the Commission has substituted bureaucratic procedures for professional judgement.

On balance the program review process has been very useful. It has required institutions to justify their programs against important standards. It has caused institutions to withdraw programs that couldn't be justified, often before they were formally submitted. Stopping weak proposals at the institutional level probably is the main effect in slowing program expansion, because the Commission doesn't reject many of the programs submitted to it. Unfortunately, in some instances the process of approval may be too slow for some needed programs, especially certificate and two-year vocational program developed to serve new employees. The Commission

should examine ways that the decision process can be expedited.

A more important problem is that the Commission is not proactive enough in defining the priorities for program development in the state. The current process reacts to institutional proposals but institutional priorities don't always coincide with state priorities.

The program review process should get more guidance from the planning process, which would identify priorities for program development. The program review process could also be linked to the budget process, by providing funding for programs deemed to be priorities of the state. Institutions would still be free to propose other programs that were institutional priorities, and they could be approved if they met the criteria of need, student demand, adequacy of institutional resources, etc. But the Commission could use their planning and budget functions to encourage program development in priority areas.

Recommendation Five: The Commission should utilize both planning and budget in support of state priorities for new program development, while continuing to be responsive to institutional program requests.

Role and Mission Specialization

The Commission has obtained role and mission statements from all of the four-year institutions, and is in process with the two-year institutions. The institutions have also provided detailed lists of all programs they now offer, and have also submitted plans for new programs they expect to develop in the next five years. This gives the Commission a comprehensive picture of what the institutions are doing, and what they want to do in the near term future. The Commission has reviewed each institutional role and mission statement, and has concurred with most of the proposed extensions of missions, and objected to a few.

The existing roles and missions of the four-year institutions are not greatly differentiated from each other. Most institutions have broad offerings to meet most of the needs of potential undergraduate students in their service area. Other than geographic proximity, there is very little of a distinctive nature in the range of program offerings that would attract undergraduate students to one institution rather than another. Students are also attracted to the social life, and the reputation of institutions, which provide additional criteria for choice. Alabama would benefit in several ways from more differentiated roles for its institutions. First, each institution could concentrate on a particular focus or emphasis, either programmatic or by type of student to be served and this specialization could increase the quality of programs. Second, there would be economies associated with specialization, consolidation, or elimination of smaller programs.

Increased mission differentiation and specialization won't occur unless the Commission encourages and rewards it. Several states have been able to bring about more differentiation by providing special funds for programs

of emphasis at each institutions. There is a particular need for this type of differentiation in those areas of the state served by multiple institutions (for example, Huntsville and Montgomery).

Recommendation Six: The Commission should seek the advantages for Alabama of a more differentiated system of higher education by first working with the institutions to develop unique roles, and second, to obtain resources needed to enhance the specialty areas.

Tuition, Student Aid and Educational Opportunity

Alabama is a state with relatively high tuition in relation to the average ability of its citizens to pay for higher education. Nationally, public tuitions are about 10 percent of average family income. In Alabama, tuition is 14 percent of average family income. Alabama provides only about one-third of the national average per student state student grant aid. These figures indicate that low income citizens probably have problems affording a public university education in Alabama.

The Commission has the responsibility of operating state student grant and guaranteed loan programs for the state, and more than two-thirds of the Commission's staff is employed in the student aid programs, primarily the federally guaranteed student loan program.

Guaranteed loans have become the largest single source of student aid in the last decade. Student grant aid hasn't increased as rapidly as tuition in the last ten years. As a result, students have had to borrow more money. Nationally, there has been concern about the size of the debt burden that students are accumulating, particularly those who go on to graduate school and accumulate additional debt for their graduate education.

In Alabama, each institution sets its own tuition. The Commission has recommended tuition levels, and out-of-state tuition charges, but not all of the institutions have followed the Commission's recommendations. As a result, tuition does not have the same relationship to instructional costs in all institutions, nor has there been connection between state student aid appropriations and changes in tuition.

It appears likely that there will have to be additional substantial tuition increases in the next few years to cover increased operating costs that aren't covered by state appropriations. It is a reasonable state policy to require tuition increases that cover a share of rising costs, but this state policy should be connected to a student aid policy which keeps the door of opportunity open to low income students.

Recommendation Seven: There should be a more consistent tuition policy for all public institutions, and a companion policy for increasing student aid as the costs of college increase, so that opportunity for low income students won't be reduced, and so that low income students don't have to borrow more heavily than other students to afford college.

Public Information

A good public information program is necessary to the effective functioning of every statewide governing or coordinating board. Governmental decision makers hear from many interest groups on important matters like education, and the democratic process will work best if there is relatively complete and accurate information for decision making. The state coordinating agency has a special responsibility to present comprehensive and accurate information about important issues related to higher education because it is one of the few information givers that doesn't usually have a special interest point of view about education (except that it can be expected to be an advocate of education in competition with other public functions, such as highways, corrections, or health).

The Commission is responsible "to conduct a program of public information in order to inform citizens of the state of matters of importance to higher education in Alabama" (Act 79-461 Section 10l). It also is charged with making an annual report to the Governor and Legislature on major trends, policies, budgets, and recommendations as appropriate (Act 79-461, Section 10i).

Most of the people we talked with believed the Commission did a good job of public information. The press regards the Commission as a reliable and accurate source of information. Legislators we talked with also gave the Commission positive marks as a good source of impartial information about higher education. Information that the Legislature requests is usually provided quickly and completely.

The institutions wanted the Commission to be more of an advocate for higher education, particularly as it relates to the financial needs of higher education.

Our observation is that there appears to be a relatively low level of concern in Alabama about many important issues. For example: Are citizens being adequately prepared for the changing work force requirements of the 21st Century? Are the large number of underprepared students entering higher education getting adequate remedial education, or are they dropping out? Does current state policy take adequate account of the possibilities for using the private sector to advance public objectives at lower cost? Does the quality of undergraduate education need to be improved?

The Commission can play an important role in raising the level of public understanding about these and other important issues. It can do this both by studying and reporting on these issues itself, and also by involving leaders from business and other civic groups in reviewing and addressing these issues. The Commission used this approach in the early 1980's when it appointed leading citizens to a special commission (The Council of 21) to make recommendations about higher education. The Commission has also appointed several advisory councils (engineering education, for example) that bring citizen attention to these issues.

The involvement of community, business and professional leaders will be

even more effective if the Commission can involve the Legislature and Governor's office in the process. For example, legislators could either serve on study groups, or participate in appointment of the groups so they had some ownership of the results.

These are some steps the Commission can take to elevate the public understanding of problems and issues in higher education, and to advance a vision and a sense of direction for Alabama higher education.

Recommendation Eight: The Commission should use its already effective public information program to increase public awareness of important policy issues, so that they can be dealt with in the public interest. The Commission should involve community, professional, and business leaders in this process, to increase the likelihood of their resolution. The long-term goal of this effort should be to raise the aspirations of Alabamians for their higher education institutions.

Conclusion

The keys to effective coordination of higher education in Alabama can be found first, in developing a common purpose and agreement among college and university leadership, civic and business leadership, and governmental leadership (Governor and Legislature) about the goals for higher education and about the priorities for achieving them.

Second, coordination requires political skill in getting the multiple interests in higher education to work together toward common goals. Third, effective coordination requires that the Commission use all of its functions--planning, program review and approval, role and mission recommendations, public information, and budget recommendations--in concert so that they reinforce each other. The budget recommendations can provide incentives for achieving state goals and priorities; program review can lead to greater mission differentiation; and public information can increase support for state goals. Finally, and most important, there must be effective leadership to achieve more effective and efficient higher education in Alabama.

These principles of effective coordination are easy to state, but difficult to achieve. They will be especially challenging for Alabama because it has an overexpanded and underfunded system of institutions. There is much that can be done with the resources that are available, if the Commission can gain the support of educational, political, business and civic leadership for a plan and program to move higher education forward. Some improvements, such as better program articulation between two- and four-year institutions, and more specialized four-year institutions can save money, rather than costing money.

The step that the Commission can take largely with its own efforts is to better integrate its functions toward state priority objectives. A modified budget process that targets a part of any new money toward these priorities is a key to effectiveness. Revamping the budget process so it contributes

directly to priority achievement should be the first step. The Commission's public information can also be directed toward building the support for these priorities. Program review and assessment can also be important for the achievement of priorities that involve academic improvement and a more differentiated system of institutions.

The Commission has increased its stature and influence in the last few years, and it needs to continue on this path, because Alabama needs strong and effective coordination of higher education.

APPENDIX A. List of Individuals Interviewed

GOVERNOR'S OFFICE

Honorable Guy Hunt, Governor
Dr. Anita Buckley, Administrative Assistant
Dr. Charles Rowe, Budget Director

LEGISLATORS

Senator Ryan deGraffenried
Senator Fred Horn
Senator Rick Manley
Representative Pete Turnham
Representative Gary White
Honorable James Clark, Speaker of the House

ADMINISTRATORS OF POSTSECONDARY INSTITUTIONS

Dr. H. Lynn Cundiff, Vice Chancellor for Administrative & Fiscal Services, Department of Postsecondary Education
Dr. Gene Elrod, President, Troy State University-Montgomery
Dr. Don Gibson, Vice President for Student Affairs, Troy State University
Dr. Asa Green, President, Livingston University
Dr. Bob Guthrey, Academic Dean, Wallace State Community College/Hanceville
Dr. Thomas Harrison, President, Troy State University-Dothan
Dr. Jack Hawkins, Chancellor, Troy State University System
Dr. Leon Howard, President, Alabama State University
Dr. John Johnson, President, Patrick Henry Junior College
Dr. John Lyons, Vice President for Planning & Information Management, University of Alabama at Birmingham
Dr. Charles McCallum, President, University of Alabama at Birmingham
Dr. Harold McGee, President, Jacksonville State University
Dr. Carl Marbury, President, Alabama A&M University
Dr. James Martin, President, Auburn University
Dr. Judy Merritt, President, Jefferson State Community College
Mr. Gordon Moulton, Vice President for Institutional Research, University of South Alabama
Dr. John Porter, Director, Institutional Research, University of Alabama
Dr. Lane Rawlins, Vice Chancellor for Academic Affairs, University of Alabama System

Dr. Harold Rodriguez, Acting Vice President for Academic Affairs, University of South Alabama
Dr. Roger Sayers, President, University of Alabama
Dr. John Stewart, President, University of Montevallo
Dr. Stafford Thompson, Vice Chancellor for Academic Affairs and Student Affairs, Department of Postsecondary Education
Dr. James Williams, Chancellor, Auburn University at Montgomery
Dr. Shirley Woodie, President, Alabama Aviation and Technical College
Dr. John Yost, Provost, University of Alabama in Huntsville

MEMBERS OF THE STAFF OF THE ALABAMA COMMISSION ON HIGHER EDUCATION

Dr. William O. Blow, Deputy Executive Director, Planning and Coordination
Ms. Omega Burritt, Director of Loan Development
Ms. Brenda T. Carter, Director of Programs
Dr. Kitty Collier, Director of Planning
Dr. Elizabeth C. French, Director, Office of Non-Resident Institutions and Federal Programs
Dr. Henry J. Hector, Executive Director, Alabama Commission on Higher Education
Ms. Kay Ivey, Director of Government Relations and Communications
Dr. Paul Mohr, Senior Advisor, Academic and Minority Affairs
Mr. Tom Roberson, Deputy Executive Director, Student Assistance
Mr. Ed Rutledge, Director, Information Fiscal System
Dr. Bill Wall, Assistant Director, Grants and Scholarships

OTHERS

Dr. Wayne Anderson, President, Council for Advancement of Private Colleges in Alabama
Ms. Joyce Bigbee, Director, Legislative Fiscal Office
Honorable Albert Brewer, Executive Director, Public Affairs Research Council of Alabama
Mr. Clyde Foster, Former member, Alabama Commission on Higher Education
Mr. Jim Jacobson, Publisher, Birmingham News
Honorable Frank McFadden, Chairman, Education Study Commission
Dr. William McCorkle, Chairman, Alabama Industrial Council on Engineering Education
Mr. John McMillan, Executive Director, Alabama Forestry Association

Dr. Wayne Teague, Superintendent of Education, State Department of Education
Mr. C. C. Tolbert, Chairman, Tax Reform Commission
Mr. Bob Word, Former member, Alabama Commission on Higher Education

MEMBERS OF ALABAMA COMMISSION ON HIGHER EDUCATION

Ms. Katie D. Espy
Mr. Charles F. Horton
Mr. Fred Lee
Ms. Jane McPherson
Mr. Earlon C. McWhorter
Mr. Borden Morrow
Mr. Frank Nix
Ms. Cindy Paler
Mr. Richard Pizitz, Sr.
Mr. William L. Roberts, Jr.
Mr. Philip A. Sellers
Mr. Charles R. Sittason

APPENDIX B. Copy of Letter Sent to Legislators, College Presidents, and Business Leaders in AL

ALABAMA COMMISSION ON HIGHER EDUCATION
FIFTH QUADRENNIAL EVALUATION COMMITTEE

P.O. Box 6119
Montgomery, Alabama 36106-6119
(205) 269-2700 ATTNET: 285-0111 FAX 263-3335

October 5, 1990

Mr. Winton M. Blount
Chairman & Chief Executive Officer
Blount, Inc.
P. O. Box 949
Montgomery, Alabama 36101-0904

Dear Mr. Blount:

We need your help in conducting an evaluation of the Alabama Commission on Higher Education (ACHE) which is required by law every four years. We are the out of state independent evaluators who have been asked to conduct the assessment, and report on findings to the Governor, Legislature, and the Commission.

In addition to studying the work of the Commission, we want to get the assessment by knowledgeable people in Alabama about ACHE's work in budgeting, planning, policy making, program review, and student aid.

Would you assist us by answering the following three questions:

1. What are the strengths of the Commission? What has it done well? (Please focus on its work since the last evaluation in 1986.)

2. Areas of the Commission's work in budgeting, policy making, planning, program review, or student financial aid that need improvement.

3. Ways in which the Commission might be more effective in serving the people of Alabama in the future.

Please send your responses to:

Dr. John Folger, Chairman
Fifth Quadrennial Evaluation Committee
P. O. Box 6119
Montgomery, AL 36106

We will keep all replies confidential; they will not be seen by any members of the Commission or their staff. Only summaries that don't identify any respondent will be included in any reports.

We plan to interview a representative number of legislators, public and private college presidents, state officials, board members, and leaders in business and industry who are involved in higher education. If you are interested, we invite you to arrange a meeting with us by contacting Dr. Elizabeth French, Committee Liaison and staff member of the Commission at 205-269-2700. For your convenience, we have scheduled meetings for Birmingham, Alabama on November 7-8, Huntsville, November 9, and Montgomery, December 3-4.

The members of the evaluation team are: Dr. Harold Enarson, President Emeritus of Ohio State University, Dr. Diane Gilleland, Executive Director, Arkansas Department of Higher Education, and Dr. John Folger, Professor of Public Policy, Vanderbilt University and former Director of Tennessee Higher Education Commission, who is chair of the evaluation team.

We hope you will give us your frank appraisal of the work of the Commission. Thank you in advance for your assistance.

Sincerely,

John Folger, Chairman
Fifth Quadrennial Evaluation Committee

JF/dn

DR. JOHN FOLGER, CHAIR
DR. DIANE GILLELAND
DR. HAROLD ENARSON

APPENDIX C. Act 79-461 Specifying the Functions of the Alabama Commission on Higher Education

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Definitions.

The following terms shall have the meanings respectively prescribed for them, except when the context otherwise requires:

(a) Public Institutions of Higher Education shall mean those public educational institutions in Alabama which have been authorized by the Legislature or by the Constitution to provide formal education, including vocational, technical, collegiate, professional, or any other form of education, above the secondary school level.

(b) Commission: The Alabama Commission on Higher Education created by this ACT.

(c) Instructional Program: A series of courses at any one location which culminates in a degree, certificate, or other formal recognition of academic credit.

(d) Unit: A school, college, division, or institute and includes the establishment of any new branch or campus. The term does not include reasonable extension or alterations of existing curricula or programs which have a direct relationship to existing programs previously approved by the Commission; the Commission may, under its rule-making authority, define the character of such reasonable extension and alternations.

(e) Off-campus Offering: Any credit course, instructional unit or instructional program conducted off the main campus of any postsecondary institution in existence and separately accredited by the Southern Association of Colleges and Schools, at the time of the passage of this Act, or of any new campus previously or hereafter approved by the Commission.

Section 2. Membership.

The Commission shall consist of twelve members. Ten of these members shall be appointed by the Governor, one shall be appointed by the Lt. Governor, and one shall be appointed by the Speaker of the House of Representatives by and with the advice and consent of the Senate. One person shall be appointed from each United State Congressional District in Alabama and shall reside or maintain an office or place of business within the Congressional District from which he is

appointed, and the remaining members shall be appointed from the state at large with no more than two in number of the total twelve members being from the same Congressional District.

The twelve members shall be citizens of the State and shall be selected, as far as may be practicable, on the basis of their interest in higher education. Appointees shall be selected without regard to political affiliation and appointment shall be of a nature as to aid the work of the Commission and to inspire the highest degree of cooperation and confidence. No member of the Commission shall be on the governing boards, be employed by or directly connected with any institution of higher education in the State; the State Department of Education, or any County or other local Board of Education. No member of the Commission shall serve past June 30th past his 70th birthday. All members of the Commission shall be deemed members at large charged with the responsibility of serving the best interest of the entire system of higher education in the State. No member shall act as the representative of any particular region or of any particular institution of higher education. New appointments to the Commission shall be made so that the total membership of the Commission is broadly representative of the total population of the State of Alabama.

The Commission shall serve in an advisory capacity to the Legislature and the Governor of this State in respect to all matters pertaining to state funds for the operation and the allocation of funds for capital improvements of state supported institutions of higher education. The initial membership of the Commission and the term of each initial member is as follows:

Section 3. Tenure - Vacancies.

(A) Members of the Commission shall be selected for nine year terms expiring on August 31 of the respective year. The current nine members are subject to reconfirmation by the Senate and shall continue to the expiration of their respective terms subsequent to such reconfirmation, but shall continue to serve as appointed until such reconfirmation. In the event that the Senate shall fail to reconfirm a current member, the Governor shall with the advice and consent of the Senate appoint a replacement for the unexpired term. Of the three new appointees, one shall be appointed by the Governor for a term of three years, one shall be appointed by the Lt. Governor for a term of six years, and one by the Speaker of the House of Representatives for a term of nine years.

(B) The members of the Commission shall continue to serve after the expiration of their terms until their successors have been appointed. In the event that the number of Congressional Districts shall change,

incumbents on the Commission shall complete their terms as members of the Commission. If the number of Congressional Districts shall change, the membership will remain at twelve within the number of at-large memberships being adjusted, if necessary, so that each Congressional District is represented. If the Senate is not in session or is in recess when the term of a member expires, the initial appointing authority shall make a temporary appointment of a succeeding member who shall serve subject to subsequent Senate approval of the appointment.

(C) Vacancies and new appointments on the Commission shall be filled by appointment of the ex officio officer responsible for the initial appointment. If the Senate is not in session or is in recess when the appointment is made, the appointee shall serve subject to subsequent approval of the appointment.

(D) Any person who serves for five or more years as a member of the Commission shall not be eligible for reappointment to succeed himself or herself until the next vacancy occurs after his or her successor is named.

Section 4. Organization and Meetings.

The first meeting of the Commission shall be called by the Governor who shall preside until a chairman is selected. The Commission shall elect annually from its own members a chairman and such other officers as it may deem desirable and shall adopt rules for its organization in the conduct of its business.

The Commission shall hold regular meetings at such times as are specified in its rules. Special or additional meetings may be held on call of the Chairman, or upon a call signed by at least six members, or upon call of the Governor. The Commission is encouraged to meet as often as seems desirable on the campuses of institutions of higher education in the State. The Commission shall meet at least once every three months. A majority of the members of the Commission shall constitute a quorum at all its meetings but the approval of a new unit or program of instruction or a new public institution of higher education, or the recommendation for a new unit of research or public service as provided in Section 8, shall require the concurrence of a majority of all the members of the Commission. An agenda for the meetings in sufficient detail to indicate the terms on which final action is contemplated shall be mailed to the chairman of each governing board and to the chief administrative officer of each public institution of higher education at least two weeks prior to the meeting. Any public institution of postsecondary education or the State Board of Education may place an item for discussion on the agenda of the next Commission meeting by

informing the executive officer of the Commission, in writing, of such request at least three weeks prior to the meeting.

Members of the Commission shall serve without compensation but shall be reimbursed for actual expenses incurred in the performance of their duties.

The Commission is authorized to appoint a highly qualified person as its Executive Officer who shall, with the consent and approval of the Commission, select and supervise the Commission's staff and perform such other duties as may be delegated to him by the Commission, within the amounts made available for the Commission's operation. The appointment of the Executive Officer shall be subject to confirmation by the Senate each four years beginning with the Regular Session of 1981. Failure of the Senate to confirm the Executive Officer shall result in his or her dismissal within ninety (90) days thereafter.

The Executive Officer shall, with the consent and approval of the Commission, employ such professional and clerical staff and other assistants, including specialists and consultants, upon a full or part-time basis as are necessary to assist the Commission and the Executive Officer in performing the duties assigned by this Act. The number of employees, their compensation, the other expenditures of the Commission shall be within the limits and in compliance with the appropriations made therefor by the Legislature and within budgets that shall be approved from time to time by the Commission.

All full-time employees of the Commission shall be eligible to participate in the state teacher's retirement system.

Section 5. Study, Analysis and Evaluation.

The Commission, in consultation with the agencies and institutions concerned with higher education in this State, shall analyze and evaluate on a continuing basis the present and future needs for instruction, research, and public service in postsecondary education in the state, including facilities, and assess the present and future capabilities. The use of advisory groups and consultants, as deemed desirable, may be used to meet these needs in order to provide the highest possible quality of collegiate and university education to all persons in the State able and willing to participate. One such advisory committee shall be the Council of Presidents, consisting of the President of each public four-year institution of higher education, the State Superintendent of Education and the presidents of three public two-year institutions of higher education, to be selected by the Superintendent of Education.

Section 6. Planning.

The Commission shall be responsible for statewide long-range planning for postsecondary education in Alabama. Such planning shall be the result of continuous study, analysis and evaluation. Plans will include the establishment of statewide objectives and priorities with methods and guidelines for achieving them.

Section 7. State University and College Information System.

The Commission, after affording a full opportunity to the public institutions of higher education to be heard, shall design and establish a State University and College Information System to provide comprehensive, meaningful, and timely information pertinent to the formulation of decisions and recommendations by the Commission. The information submitted by the public institutions of higher education shall be in comparable terms and the reports developed through the system shall conform to the procedures established by the Commission. The Commission shall be the state coordinating agency for all data collection requirements of the federal government which require state level coordination and relate to postsecondary education. The Commission will make every effort to minimize the reporting burden on the institutions by using the existing reports of the federal government. The commission shall establish an advisory committee comprised of, but not limited to, representatives of the public institutions of higher education and the State Board of Education to assure that the expertise and concerns of the institutions relative to this section, both individually and collectively, shall be provided to the Commission.

Section 8. Coordination of Units or Programs of Instruction, Research or Public Service.

The Commission on Higher Education is authorized to review periodically all new and existing programs and units of instruction, research, and public service funded by state appropriations at the State Universities and Colleges and to share with the appropriate governing board through the president of the institution, and state legislature, its recommendations.

The commission shall seek through the use of advisory committees to study needless duplication of education, research or service programs and programs which are not adequately provided in the state, and shall make findings and recommendations to the institutions, the Governor and the Legislature that would strengthen the total program of higher education in the state.

The governing boards of public institutions of higher education in this STate and the campuses under their governance or supervision shall not hereafter undertake the establishment of any new unit or program of instruction for academic credit with state funds before submitting plans for the new unit or program to the Commission for its review, evaluation, and approval. No state funds shall be expended by any public institution on any new unit or program of instruction which has not been approved by the Commission. Any such plan submitted to the Commission, or its staff, however, and not receiving final action by the Commission within ten (10) months of submission shall be considered approved. The term "new unit of instruction" includes the establishment of a college, school, division or institute and includes the establishment of any new branch or campus. The term does not include reasonable extensions or alterations of existing curricula, or programs which have a direct relationship to existing programs; and the Commission may, under its rule-making power, define the character of such reasonable extensions and alterations.

The Commission shall have the authority to authorize and regulate off-campus offerings, new or existing. An exception to this off-campus authority is provided for the branch campuses of universities or branch campuses of junior colleges in existence at the time of passage of this act whose Fall 1978 registrations exceeded 500 class enrollments and branch campuses of universities operating prior to 1960. For those branches which began operating since 1960, the Commission shall present its recommendation for the continuation or termination of each branch with full findings of fact to the Legislature before a public joint meeting of the education committees of the House and Senate no later than the fifth legislative day of 1981 regular session of the Legislature. In making such recommendation, the Commission shall not use the ratio of full-time faculty to part-time faculty and/or a requirement to attend the main campus for degree completion as a part of its judgment of the quality of a program or branch campus. The education committee of each house shall report to its respective house with a concurrence or non-concurrence on each recommendation of the hour of continuous uninterrupted discussion for each recommendation and at the end of such time it shall be mandatory that the President of the Senate and the Speaker of the House shall in their respective houses call for a recorded vote. Such resolution by simple majority of both houses if required to affirm a Commission recommendation. No more than one branch shall be continued or terminated in one resolution.

Nothing in this or any section, however, shall be construed to prohibit any institution of higher education in this State from seeking and securing by separate Bill the approval of the Legislature for any new unit or program of instruction, research, or public service denied approval by the Commission, in which case the action of the Legislature,

when approved by the Governor or otherwise upon becoming law, if final.

Colleges and universities conducting off-campus offerings on military reservations are exempt from the Commission's regulatory review and approval authority for those offerings on the military reservation.

Section 9. Budget Proposals and Recommendations.

The governing boards of the public institutions of higher education shall submit to the Commission through their appropriate administrative officers, not later than ninety (90) days prior to each legislative session, its budget proposals for the operation and capital needs of the institution under its governance of supervision.

The Commission shall receive, evaluate and coordinate budget requests for the public institutions of higher education of this State, shall hold open hearings on the budget requests of the separate institutions and shall present to each institution and to the Governor and the Legislature, a single unified budget report containing budget recommendations for separate appropriations to each of the institutions. The consolidated budget and analysis of the Commission shall be accompanied by the original requests and their justifications as submitted by each institution. The recommendations of the Commission shall be derived directly from its assessment of the actual funding needs of each of the universities, as presented to it by the presidents, which assessment may include, but shall not be limited to, derived conclusions that may be based upon standard techniques of objective measurement, need and unit cost figures arrived at through the use of comparative and verified data secured from the various institutions, applied in an impartial and objective manner, and comparison shall be made not only between similar functions of institutions in Alabama but also between Alabama institutions and similar functions of institutions located in other states, provided that nothing herein shall be construed to prohibit any institutions of higher education in this State from submitting any matter pertaining to the financial operation and needs of said institution to the Legislature or to the Governor at any time.

Section 10. Powers and Duties of the Commission.

The Commission shall exercise the following powers and duties in addition to those otherwise specified in this Act.:

(a) To cause to be made such surveys and evaluations of higher education as are believed necessary for the purpose of providing appropriate information to carry out its powers and duties.

(b) To recommend to the Legislature of Alabama the enactment of such legislation as it deems necessary or desirable to insure the highest quality of higher education in this State taking into consideration the orderly development and maintenance of the State system of public higher education to meet trends in population and the change in social and technical requirements of the economy.

(c) To advise and counsel the Governor, at his request, regarding any area of, or matter pertaining to, postsecondary education.

(d) To establish definitions of a junior college, a community college, a technical college or institute, a senior college, a university and university system; provided, that nothing herein shall be construed as authorizing the Commission to establish or create any university system, nor to alter any university system presently existing.

(e) To develop and publish criteria which may be used by the Legislature as a basis (i) for changing the classification of any public institution of higher education and (ii) for determining the need for new public junior colleges, public senior colleges, universities or university systems. Any proposed statute which would establish an additional institution of higher education may be submitted, either prior to introduction or by the standing committee considering same to the Commission for its opinion as to the need for the State therefor, and the Commission shall report its findings to the Governor and the Legislature.

(f) To cause studies to be made for the purpose of classifying and prescribing the role and scope for each public institution of higher education in Alabama and to recommend such changes in classification or role and scope for such institutions as it deems necessary and which may be agreed to by the governing board of the said institution.

In making studies and recommendations for the purpose of classifying and prescribing the role and scope of institutions, the Commission shall do so without regard for race and traditional role of the institution, provided, however, that in the absence of compelling reasons to the contrary the Commission shall give priority to institutions having seniority in years of operation in the service area. When making recommendations for the elimination of duplication of educationally unnecessary programs, absent justifiable reasons to the contrary, the Commission shall recommend the replacement of such programs and/or services with programs and/or services that will strengthen and enhance the role of the institution affected.

(g) To hear applications from the institutions for changes in classification or role and scope and to recommend to the Legislature for

clarification such classifications in role or scope which may not be agreed to by the governing board of any institution.

(h) To make continuing studies, on its own initiative or upon the request of the Governor or the Legislature, of the financial needs of public higher education and issue such reports to the Governor and the Legislature as may result from its studies.

(i) To submit to the Governor and the Legislature on or before the first day in January of each year a written report covering the activities of the Commission and the state of higher education in Alabama. The report shall include

(i) statements of the nature, progress or result of any studies undertaken or completed during the past fiscal year;

(ii) comments upon major developments, trends, new policies, budgets, and financial considerations which, in the judgment of the Commission will be useful in planning a sound program of higher education; and

(iii) recommendations respecting postsecondary education in this State as may be appropriate.

(j) To make rules and regulations for its meetings, procedures, and execution of the powers and duties delegated to it by this Act.

(k) To encourage the establishment and development of formal consortia for the advancement of higher education comprised of institutions of higher education in the State.

(l) To conduct a program of public information in order to inform citizens of the State of matters of importance to higher education in Alabama.

(m) To serve as the State agency for the administration of those Titles of the Higher Education Act of 1965 (Public Law 89-329) as amended for those programs requiring a single state agency for which the Commission qualifies, unless otherwise designated by Executive order.

(n) To authorize and regulate instructional programs or units offered by non-Alabama institutions of postsecondary education in the State of Alabama. No institution of postsecondary education located outside of Alabama may offer units or programs of instruction within Alabama without prior approval of the Commission. The Commission

under its rule-making authority shall establish criteria for the approval of such institutions and programs.

(o) The powers and duties of the Commission shall apply equally to all postsecondary institutions regardless of any authority that may be, or has been, conferred upon them by the Constitution or by statutes.

Section 11. Southern Regional Education Compact.

The Commission is designated the agency responsible for those functions under the Southern Regional Compact for Education (Act 227, HJR 42, 1949, Act 40 HJR 21, 1955) and those functions in Sections 16-3-32 through 16-3-35, Code of Alabama, 1975 heretofore assigned to the State Board of Education with funds that may be appropriated to it by the Legislature for that purpose.

Section 12. Evaluating and Revising the Commission.

Two years after the establishment of the Commission and during the last year of each gubernatorial term, the Commission shall appoint a committee of at least three consultants who are not associated with higher education in this State to evaluate the effectiveness of the work of the Commission and to recommend changes as needed. A report prepared by the Committee shall be submitted to the Governor, the Legislature, the presidents and governing boards of the public institutions of higher education of this State and the public.

Section 13. Governing Boards of Public Institutions of Higher Education - Powers and Duties.

Governing boards of the public institutions of higher education of this STate shall retain all powers and duties heretofore given and conferred upon them by the Constitution or by any law expressed or implied, to govern, control and operate the institution for which they are responsible. The Commission shall work with and support the respective boards and except where otherwise authorized by this statute, shall act in a fact-finding and advisory capacity.

The State Board of Education and any successor board or boards which govern the state's public postsecondary institutions, including senior institutions, community colleges, junior colleges, and postsecondary technical institutes or colleges, shall stand in the same relationship to the Commission as do university boards of trustees. The State Superintendent of Education shall stand in the same relationship to the Commission as do the presidents of the universities.

Section 14. Acceptance of Gifts, etc.

The Commission is authorized to accept gifts, devises1, grants, or bequests and expend the same to carry out the provisions of this Act or to promote the purposes for which it has been established.

Section 15. Severability.

The provisions of the Act are severable. If any section, paragraph, sentence, clause, provisions, or portion of this Act, be held unconstitutional or invalid, such holdings shall not affect any other section, paragraph, sentence, clause provision or other portion of this Act not in or of itself unconstitutional or invalid.

Section 16. Repealer.

All laws or parts of laws which conflict with this act are hereby repealed.

Section 17. Effective Date.

This Act shall become effective immediately upon its passage and approval by the Governor, or upon its otherwise becoming a law.

Approved July 30, 1979

Time: 12:15 P.M.

I hereby certify that the foregoing copy of an Act of the Legislature of Alabama has been compared with the enrolled Act and it is a true and correct copy thereof.

Given under my hand this 31st day of July, 1979.

JOHN W. PEMBERTON
Clerk of the House